



**AUDIT**

**OF**

**UNDP LEBANON**

**INCREASING ACCESS TO WATER IN HOST-COMMUNITIES**  
**(Directly Implemented Project No. 77399, Output No. 88194)**

**Report No. 2243**

**Issue Date: 27 August 2020**

**Report on the Audit of UNDP Lebanon  
Increasing Access to Water in Host-Communities  
(Project No. 77399, Output No. 88194)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 29 June to 10 July 2020, conducted an audit of Increasing Access to Water in Host-Communities (Project No. 77399, Output No. 88194) (the Project), which is directly implemented and managed by the UNDP Country Office in Lebanon (the Office). The last audit of the Project was conducted by OAI, through Moore Stephens LLP in 2018 and covered project expenses from 1 January to 31 December 2017.

The audit firm conducted a financial audit in accordance with the International Standards of Auditing (ISA) the 700 series, to express an opinion on whether the financial statements present fairly, in all material aspects, the Project’s operations. The audit covered the Project’s Combined Delivery Report, which includes expenses for the period from 1 January to 31 December 2019 and the accompanying Funds Utilization statement<sup>1</sup> as of 31 December 2019 as well as Statement of Assets as of 31 December 2019. The audit did not include activities and expenses incurred or undertaken at the “responsible party”. In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

The audit was conducted under the general supervision of OAI in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

**Audit results**

Based on the audit report submitted by the audit firm, the results are summarized in the table below:

Project Expenses*		Project Assets	
Amount (in \$ '000)	Opinion	Amount (in \$'000)	Opinion
7,063	Unmodified	47	Unmodified

\*Expenses recorded in the Combined Delivery Report were \$7,329,201. Excluded from the audit scope were expenses incurred at the “responsible party” level in the amount of \$266,587.

The audit did not result in any recommendations.

**Implementation status of previous OAI audit recommendations:**

The previous audit (Report No. 1933, issued on 20 July 2018) did not result in any recommendations.

**Management comments and action plan**

Comments and/or additional information provided have been incorporated into the report, where appropriate.

<sup>1</sup> The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.



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